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Approved For Release 2007/03/06 : CIA-RDP79B00864A001400010014-1

#97

EAST EUROPE BRANCH NOTES

OCI# 0606/74
7 August 1974

BULGARIA

Ousted Party Leaders to Exile?

Rumors in Sofia claim that the three politburo candidates who were ousted in early July may be given ambassadorial assignments. Ivan Abadzhiev would go to Romania, Kostadin Gyaurov to Mongolia, and Venelin Kotsev to Tunisia. Ambassadorial exile for those who fall from grace has become standard fare in Sofia and these rumors seem reasonable.

Our embassy suggests that these three reportedly lost their party jobs for inefficiency and/or for love of wine, women and song. While we agree that Gyaurov might fall into the latter category, we have seen nothing to indicate that Abadzhiev or Kotsev is guilty of any of these sins. We continue to believe that Abadzhiev was removed because he was becoming a threat to Zhivkov, while Kotsev had been on the skids for some time for ideological and possibly economic shortcomings.

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ROMANIA

Soviet-Romanian Trade Negotiations Underway

Romanian trade minister Ion Patan is in Moscow for the first round of negotiations on the new five year Soviet-Romanian trade agreement (1976-1980). The Romanians hope to work out the main lines of a new accord and reach an agreement "in principle." Specifically, Patan is interested in getting increased raw materials, but Moscow's proposed deliveries are about the same as at present.

Romania is finding it more difficult to exchange its manufactured goods in the third world for raw materials. Developing nations that are rich in natural resources have learned their lesson from the recent oil embargo and now demand hard currency. Soviet raw materials thus become more attractive to Bucharest, which hopes to save its hard currency for shopping in the West.

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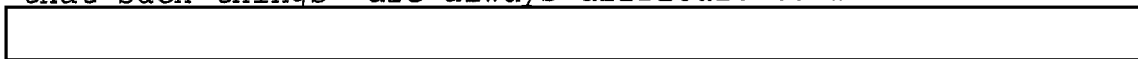
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A Romanian Embassy officer in Moscow said recently that his country is the only one in CEMA which receives no oil from the Soviet Union. Asked about possible coordination of foreign trade plans with other CEMA countries, he replied that such things "are always difficult to work out."



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